



## DEPARTMENT OF THE AIR FORCE

Office Of The Assistant Secretary

SEP 10 2001

CONTRACT POLICY MEMO 01-C- 07

MEMORANDUM FOR SEE DISTRIBUTION LIST

FROM: SAF/AQ  
1060 Air Force Pentagon  
Washington DC 20330-1060

SUBJECT: Interim Revision of AFFARS 5307.104 and Attachment 5315-3, Additional Acquisition Authority Threshold Impacting A-76 Cost Comparisons

The A-76 cost comparison process is a tool used by the Air Force to discover greater operational efficiencies and also determine whether certain functions should be performed in-house or by contractors/interservice support agreements (ISSAs). A number of A-76 cost comparisons are on-going throughout the Air Force. They often impact hundreds of manpower positions, involve hundreds of millions of dollars, and garner significant interest from Congress, the DoD/IG, and the media.

In an effort to improve the A-76 process and increase senior Air Force leadership involvement and oversight on a larger number of Air Force A-76 cost comparisons, SAF/AQ will be involved in reviewing significant A-76 acquisitions based upon the number of full time equivalents (FTEs) under review. The Principal Deputy Assistant Secretary of the Air Force (Acquisition & Management) is designated as the source selection authority, acquisition plan approval authority, and acquisition strategy panel chairperson on all A-76 cost comparisons affecting 300 or more FTEs. This requirement is being added to the Air Force FAR Supplement (AFFARS). Interim change pages are attached.

This change is effective immediately and will remain in effect until incorporated formally into the AFFARS. It affects all on-going A-76 cost comparisons whose source selection plans have not been approved as of the date of this memorandum.

DARLEEN A. DRUYUN  
Principal Deputy Assistant Secretary  
(Acquisition and Management)

Attachments:

1. Distribution List
2. AFFARS Interim Change Pages - Parts 5307 and 5315

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**PART 5307—ACQUISITION PLANNING**

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## **PART 5307—ACQUISITION PLANNING**

### **SUBPART 5307.1—ACQUISITION PLANS**

#### **5307.103 Agency-head responsibilities.**

(c)(i)(C) Written acquisition plans (APs) shall be prepared for the following:

- (I) All system modifications when the estimated total acquisition cost of the modification is \$10 million or more;
- (II) Other acquisitions involving Other Contracting at the discretion of the principal staff officer responsible for contracting at the MAJCOM headquarters; and
- (III) Acquisitions that plan to use the Federal Supply Schedule (FSS) program. Use the estimated value of the entire planned requirement, including any portion using the FSS program, to determine applicability and approval level.

#### **5307.103-90 Single Acquisition Management Plans (SAMPs).**

SAMPs shall be prepared for all ACAT I and II programs as defined by DODD 5000.1, Defense Acquisition, and DOD 5000.2-R, Mandatory Procedures for Major Defense Acquisition Programs (MDAPs) and Major Automated Information System (MAIS) Acquisition Programs. SAMPs are optional for all other programs and acquisitions. Whenever a SAMP is prepared, it shall meet the requirements of an acquisition plan as described in the FAR. In such cases, the SAMP approval process will be followed in lieu of the acquisition plan approval process described herein. The Air Force SAMP Guide and Acquisition Policy Memo 97A-02 provide information on preparing and processing SAMPs.

#### **5307.104 General Procedures**

(c) In acquisitions where sole source approvals will be obtained, Air Force acquisition planning shall provide appropriate opportunities for the following:

- (1) involving Defense Contract Management Command and Defense Contract Audit Agency early in the acquisition process,
- (2) obtaining appropriate contractor input for use in the development of the acquisition strategy and of the abbreviated RFP or letter of solicitation,
- (3) establishing a Government/Contractor team (including executors and reviewers), committed on a real-time basis to streamlining the acquisition process and maintaining open communications;
- (4) teaming of the Government and Contractor in development of the proposal and model contract, leading to agreement on contractor effort and costs associated with the task(s); and
- (5) teaming of the Government and contractor during post-award contract performance to improve communications and develop efficient contract administration methods.

#### **5307.104-90 Air Force procedures for acquisition plans.**

(a) *General.* MAJCOMs, FOAs, and DRUs shall prescribe procedures for processing APs and shall establish review and approval levels for APs that do not require approval by the SPE, PEO, or DAC. SPE approval authority has been delegated, without power to redelegate, to the Principal Deputy Assistant Secretary of the Air Force (Acquisition and Management) (PDASAF(A&M)).

(b) *Approval requirements.*

- (1) SPE approval is required for the following:

- (i) Major Automated Information System (MAIS) programs
- (ii) Any non-MAIS information technology acquisitions  $\geq$  \$120M
- (iii) All other acquisitions  $\geq$  \$500 million.
- (iv) All A-76 cost comparisons affecting 300 or more full-time equivalents (FTEs).

(2) For AFMC, acquisition plan approval authority is as follows:

PEO and DAC Programs and Other Contracting (Non Information Technology)

Threshold	PEO Program	DAC Program	Other Contracting***	Review/Coordinate
\$5M to <\$50M	SM*	SM*	Center CC (delegable)	BOCO/****
$\geq$ \$50M to < \$500M	PEO	DAC	Center CC	SCCO
$\geq$ \$500M	PDASAF(A&M)	PDASAF(A&M)	PDASAF(A&M)	SAF/AQC
A-76 $\geq$ 300FTEs	PDASAF (A&M)	PDASAF (A&M)	PDASAF (A&M)	SAF/AQC

Information Technology, Not Integral to a Weapon System

Threshold	PEO Program	DAC Program	Other Contracting	Review/Coordinate****
\$5M to < \$15/30M**	SM*	SM*	Center CC (delegable)	BOCO/****
$\geq$ \$15/30M** to < \$120M and non-MAIS	PEO	DAC	Center CC	SCCO
$\geq$ \$120M or MAIS*****	PDASAF(A&M)	PDASAF(A&M)	PDASAF(A&M)	SAF/AQC

\* Single Manager (SM) includes System Program Director (SPD), Product Group Manager (PGM), and Materiel Group Manager (MGM), and Technology Director.

\*\* \$15/\$30M means \$15M or more in any FY or \$30M or more for all program years.

\*\*\*S&T acquisition less than \$500 million may use the simplified S&T combined AP and J&A format.

\*\*\*\*For other contracting, the first contracting official in the contract chain subordinate to the SCCO

\*\*\*\*\*See AFFARS ~~53.202.101~~ 5302.101 for MAIS definition.

(3) For all commands except AFMC, review and approval levels for Other Contracting APs that do not require SPE approval shall be in accordance with Command procedures. For PEO Programs assigned outside AFMC, the PEO is the AP approval authority.

(4) SAMPs for ACAT I and II programs shall be approved by the Principal Deputy Assistant Secretary of the Air Force (Acquisition and Management). ACAT ID programs require additional approval by the Defense Acquisition Executive, and ACAT IA programs required additional approval by the OASD/C3I. For ACAT I and II programs, coordination is required from the Air Force Competition Advocate General. SAMPs prepared for ACAT III programs shall be approved by the PEO or DAC. See the Air Force SAMP Guide and Acquisition Policy Memo 97-02 for additional details on the required signatures for SAMPs.

(c) *APs requiring Final Acquisition Action Approval (FAAA) by the SPE.*

(1) SAF/AQCKS furnishes SPE AP approval to the contracting activity by memorandum entitled, "Final Acquisition Action Approval (FAAA)," outlining any restrictions (exceptions) which have been imposed. SAF/AQCS SAF/AQCK prepares and processes FAAAAs. SAF/AQCS SAF/AQCK shall monitor clearance of the exceptions noted in the FAAA. When an AP and justification

and approval (J&A) require SPE approval, the J&A documentation should be submitted concurrently with the AP. Anticipate 45 days for staffing and issuance of the FAAA after receipt by SAF/AQCKS.

(2) When AP approval by the SPE is required, the following procedures apply:

(i) APs requiring SPE approval shall be signed by the contracting officer, chief of the contracting office, and program manager (for A-76 cost comparisons affecting 300 or more full-time equivalents (FTEs), the Competitive Sourcing Management Steering Group (CSMSG) Chairperson). Additionally, for AFMC PEO actions, APs requiring SPE approval shall be signed by the BOCO and for AFMC DAC actions, by the Senior Center Contracting Official. The responsible PEO or DAC shall also sign the AP prior to submitting it to SAF/AQCKS for SPE approval. For Other Contracting, signature shall be in accordance with command procedures prior to submitting to SAF/AQCKS for SPE approval.

(ii) For AFMC PEO Programs, the PEO shall forward the AP to SAF/AQCKS prior to solicitation release. SAF/AQCKS shall begin internal review of the AP upon receipt from the PEO and will release the document for SAF/AQ staffing. Within five work days of receiving the AP from the PEO, SAF/AQCKS shall send the PEO and program office written authorization to release the solicitation on the 15th calendar day after SAF/AQCKS received the plan. The contracting officer may release the solicitation on or after the specified date, unless directed otherwise by the SPE. SAF/AQCKS shall verbally communicate SPE direction to stop release of the solicitation, followed up by written cancellation or amendment of the authorization to the PEO. In this case, the contracting officer shall not release the solicitation until the FAAA is signed or a revised date is specified in the amendment. After the solicitation is issued, negotiations shall not commence (see 5306.003) nor shall sealed bids be received until the FAAA is signed by the SPE.

(iii) For AFMC DAC Programs, procedures for processing the AP after signature by the DAC are the same as for PEO programs, except authorization and SPE directions will be sent to the Senior Center Contracting Official.

(iv) For PEO Programs assigned outside AFMC, the AP shall be submitted after signature to the MAJCOM Chief of Contracting who has been delegated the responsibility for initial reviews as a service to the ASAF(A). The AP shall be forwarded by the PEO to Kwithin 30 calendar days or when problems have been resolved, whichever occurs earlier. The MAJCOM's transmittal letter will address any unresolved issues and include a recommendation regarding solicitation release. Within five work days of receiving the AP from the PEO, SAF/AQCKS will send the PEO contracting activity a written authorization to release the solicitation immediately, unless major issues precluding solicitation release have been identified and the SPE has directed that the solicitation not be released. SAF/AQCKS shall verbally communicate SPE direction to stop release of the solicitation, followed up by written cancellation or amendment of the authorization. In this case, the contracting officer shall not release the solicitation until the FAAA is signed or a revised release date is specified in the amendment. After the solicitation is issued, negotiations shall not commence (see 5306.003) nor shall sealed bids be received until the FAAA is signed by the SPE.

(v) For acquisitions citing the authority in FAR 6.302-2 (unusual and compelling urgency), the contracting officer shall not release the solicitation until approval is received, except when approval will unreasonably delay the acquisition. When justified in accordance with FAR 6.302-2 (c)(1), the solicitation may be released and the acquisition cycle continued (including contract award) prior to the signing of the FAAA. The contracting activity shall request the FAAA as early as possible.

(vi) For full and open competition acquisitions that support quick reaction capability, the contracting officer may release the solicitation and continue the acquisition cycle up to, but not including contract award, prior to the signing of the FAAA. The contracting activity shall request the FAAA as early as possible.

(3) FAAAs are not used to obtain approval for SAMPs. Instead, signature by the approving official on the SAMP document constitutes approval.

(d) *Changes.* If a change occurs to the program which significantly affects the AP (e.g., scope, dollar value, contract type), the contracting officer shall submit a revised AP to the approval authority with a statement summarizing the changes. The revised AP should reflect the current status of the action(s) described. Changes in the AP shall be identified by a vertical bar in the right margin. [See AFFARS 5343.102 for approval requirements for contract changes for Air Force Acquisition Programs (ACAT programs - see AFFARS Part 2) which result in a contract performance extension by 50 percent or more of the original contract period of performance.]

#### 5307.104-91 Acquisition Strategy Panels (ASPs)

(a) *General.* An ASP shall be held for all acquisitions that require a written acquisition plan in accordance with DFARS 207.103 (c) and 5307.103 (c)(i)(C), even if the acquisition plan requirement is satisfied by a Single Acquisition Management Plan (SAMP), except acquisitions for basic and applied research (6.1 and 6.2 funds) and replenishment parts. MAJCOMs, FOAs, and DRUs shall prescribe procedures for conducting ASPs. In general, each ASP should:

(1) Take place as early as possible in the acquisition planning process to develop a systematic and disciplined approach to achieve an efficient/effective acquisition; and

(2) Address user requirements, final acquisition objectives, and the alternative methods to attain those objectives. The ASP shall address all relevant requirements of the written acquisition plan (see FAR 7.105) and any other considerations needed to fully assess the planned acquisition approach.

(b) *Responsibility for convening the ASP.* For PEO and DAC Programs, the System Program Director (SPD) has responsibility for convening the ASP. For other acquisitions, the contracting officer is responsible for initiating the ASP, which will be convened in accordance with MAJCOM, FOA, or DRU procedures .

(c) *ASP chairpersons.* SAF/AQ is the ASP chairperson for ACAT I programs; however, SAF/AQ may delegate this authority to PEOs/DACs. PEOs/DACs are the ASP chairperson for their assigned non-ACAT I programs; however, this authority may be delegated (see 5301.601-92 (d)). SAF/AQ is the ASP chairperson for any A-76 cost comparisons that affect 300 or more full-time equivalents (FTEs); however, SAF/AQ may delegate this authority on individual cost comparisons. ASPs for other acquisitions in AFMC shall be chaired in accordance with procedures in the command supplement. In MAJCOMs other than AFMC, the MAJCOM Director of Contracting will chair the ASP. In other organizations, ASPs will be chaired in accordance with procedures in the organization's supplement. The ASP chairperson may designate another official to chair an ASP and may approve waivers to ASP requirements, in accordance with procedures in MAJCOM, FOA, or DRU Supplements. The rationale and approval for all ASP waivers must be documented in the contract file. When practicable, the AP/SAMP approval authority should be the ASP Chairperson.

(d) *ASP membership.* The ASP chairperson has responsibility for selecting ASP members, as follows:

(1) Legal, engineering, comptroller, and contracting communities and the user organization(s) shall be invited to participate;

(2) For acquisitions for ACAT programs, the ASP members will be from the applicable standing ASP created from the test, legal, operations, engineering, contracting/competition advocate, comptroller, logistics/sustainment, and program management areas and a representative of the Defense Contract Management Command; and

(3) Additional members should be invited as appropriate for the specific acquisition. The ASP chairperson should consider representatives from other disciplines, such as test and evaluation, logistics, manufacturing, quality assurance, competition advocate, base environmental, safety, and bio-environmental and medical (occupational health).

(e) The ASP chairperson shall ensure that minutes are prepared and distributed to principal attendees and that written recommendations are provided to the program manager or other individual with responsibility for preparing the acquisition plan or Single Acquisition Management Plan (SAMP). Written acquisition plans or SAMPs should be consistent with ASP discussions and any recommendations. Copies of the ASP minutes, the written recommendations, and disposition of any written recommendations should be included in the contract file.

(f) The person responsible for convening the ASP should consider reconvening the ASP if significant changes in program baseline or acquisition strategy occur.

#### 5307.105 Contents of written acquisition plans.

(a) *Acquisition background and objectives.* The AP preparer shall ensure that reviewers at all management levels have access to documents referenced in the AP. Accomplish this by providing the document, reproducing and attaching pertinent extracts, or quoting the reference within the body of the plan, whichever is most practical. Documents may be referenced provided they can be made available for immediate use if needed by the reviewing officials.

(1) *Statement of need.*



**PART 5307---ACQUISITION PLANNING**

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(A) Applicability of a Decision Coordinating Paper (DCP), Defense Acquisition Board (DAB), and/or Internal Service Reviews. Use the AP to develop the acquisition methodology contained in the DCP and to support review ac

(b) *Plan of action.*

(4) *Contracting considerations.* APs shall include major component contract actions and all other contract actions which have a significant effect on the total acquisition.

(17) *Security considerations.* APs which contain information which should not be released outside the Government shall be marked "FOR OFFICIAL USE ONLY" and handled accordingly.

(18) *Other considerations.* If any contract(s) under the AP will authorize decentralized ordering (i.e., ordering by a contracting office at any other location), describe the oversight procedures for tracking orders, enforcement of contract terms and conditions, and prevention/identification of abuses, such as issuance of out-of-scope orders.

**SUBPART 5307.3—CONTRACTOR VERSUS GOVERNMENT PERFORMANCE****5307.306 Evaluation.**

(b) *Negotiation.* See 5308.705 (f) for procedures relating to cost comparison studies involving the acquisition of services from workshops for the blind or severely disabled.

**5307.390 Implementation of the right of first refusal.**

(a) For detailed procedures related to contracting officer responsibilities in implementing the right of first refusal, see Air Force Commercial Activities Program Instruction dated July 1998.

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**ATTACHMENT 5315-3**

**Table A**

**AFMC Source Selection Authority (SSA) Thresholds**

**PEO and DAC Programs (non Information Technology)// Other Contracting\***

<b><u>Threshold</u></b>	<b><u>SSA (Delegable [1])</u></b>	<b><u>SSP Review</u></b>
SAT to < \$10M	Contracting Officer	Technical Team Member
≥ \$10 M to < \$50M	Single Manager [2]	BOCO//[See note 3]
≥ \$50 to < \$500M	PEO or DAC//Center CC	SCCO
≥ \$500M [4]	PDASAF (A&M)	SSAC Chairperson
A-76 on ≥ 300 FTEs	PDASAF(A&M)	SSAC Chairperson

**Major Automated Information System (MAIS) Programs and non-MAIS Information  
Technology Acquisitions**

<b><u>Threshold</u></b>	<b><u>SSA (Delegable [1])</u></b>	<b><u>SSP Review</u></b>
SAT to < \$15/30M [5]	Single Manager [2]	BOCO//[See note 3]
≥ \$15/30M[5] to < \$120M and non-MAIS	PEO or DAC//Center CC	SCCO
≥ \$120M or MAIS	PDASAF(A&M)	SSAC Chairperson

<sup>[1]</sup>Not delegable lower than the contracting officer.

<sup>[2]</sup>Single Manager (SM) includes System Program Director (SPD), Product Group Manager (PGM), Materiel Group Manager (MGM), Technology Director (TD) and Wing Commander.

<sup>[3]</sup>For Other Contracting, the first contracting official in the contract chain subordinate to the SCCO

<sup>[4]</sup>Except new ACAT ID programs entering EMD (ASAF(A))

<sup>[5]</sup>\$15/\$30M means \$15M or more in any FY or \$30M or more for all program years.

\* Except for A-76 cost comparisons affecting 300 or more FTEs, AFMC/CC may designate an SSA at a level other than those listed above for a specific "Other Contracting" acquisition of less than \$500 Million.

**Table B**

**Other MAJCOMs, FOAs, DRUs Source Selection Authority Thresholds**

**Other Contracting\***

<b><u>Threshold</u></b>	<b><u>SSA (Delegable [1])</u></b>	<b><u>SSP Review</u></b>
SAT to < \$10M	Contracting Officer	Technical Team Member
≥ \$10 M to < \$500M	Commanders [2]	Per Command Guidance
≥ \$500M	PDASAF (A&M) [3]	SSAC Chairperson
A-76 on ≥ 300 FTEs	PDASAF (A&M)	SSAC Chairperson

**MAIS Programs and non-MAIS Information Technology Acquisitions**

<b><u>Threshold</u></b>	<b><u>SSA (Delegable [1])</u></b>	<b><u>SSP Review</u></b>
SAT to < \$10M	Contracting Officer	SSP Review
≥ \$10 to < \$120M and non-MAIS	Commander [2]	Per Command Guidance
≥ \$120M or MAIS	PDASAF(A&M)	SSAC Chairperson

**TABLE B NOTE:** If an acquisition is designated a PEO Program, the PEO is the SSA for thresholds below ASAF(A) (delegable<sup>[1]</sup>).

<sup>[1]</sup>Not delegable lower than the contracting officer.

<sup>[2]</sup>Commanders of MAJCOMs, FOAs and DRUs

<sup>[3]</sup>Except new ACAT ID programs entering EMD (ASAF(A))

\* Except for A-76 cost comparisons affecting 300 or more FTEs, the MAJCOM/CC may designate an SSA at a level other than those listed above for a specific "Other Contracting" acquisition of less than \$500 Million.